

SBM Case Study: Waltek, Inc.



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Waltek, Inc., a Minnesota-based manufacturer of investment castings for the medical device industry, was acquired in 1998 by an investment partnership. Over the next eight years, the firm broadened its sales force to cover the nation and doubled revenues to about 7 million. By 2006, the individual interests of the partners began to diverge, and they decided it was time to sell.

Tim Talbot, one of Waltek's partners, a CPA and principal of the Minneapolis accounting firm of Bertram & Cooper, led Waltek's search for merger and acquisition representation. He quickly found that his choices were severely limited. "It was tough to find a true professional intermediary willing to work at our end of the market," Talbot said. "Most of the large firms viewed our deal as too small. Luckily, a friend recommended Jerry Clark and his firm, SealedBid. Jerry came with strong credentials and a long history of successful deals. He understood our business immediately and asked all of the right questions."

After reviewing the firm's financials and evaluating its market position, Clark was able to define a fairly narrow selling price range within which he believed a sale might be realized. The accuracy of Clark's evaluation and price-setting skills were borne out nine months later when the sale was concluded. "We actually exceeded the top of the range Jerry originally proposed, more than exceeding our price objectives," said Tim. "Jerry took our assignment and ran with it," Talbot said. "He asked solid questions, respected the confidentiality of our data and developed a very impressive marketing package that told our story – particularly Waltek's real potential – very well." The selling process, managed by SealedBid, was smooth and relatively glitch-free.

“hardest working intermediary”

Several initial offers were generated by SealedBid's

marketing program and each was carefully evaluated with Clark's help. A 15-year old Minneapolis-based private equity firm, Whitecliff Capital Partners, was chosen as the best of the potential purchaser and negotiations were begun with this able and qualified buyer. As an accountant, Talbot says he subjected every aspect of the proposed transaction to greater scrutiny than most selling parties would have been able to do, but it was in the negotiating process with Whitecliff that the real value of being represented by SealedBid became clear.

Michael Kaplan, another Waltek partner, agrees. “Jerry was aggressive in protecting and advancing our interests. He tracked and coordinated all negotiations, managed all documentation and stayed involved at every step along the way. SealedBid did an excellent job of representing us.” Minneapolis law firm Moss & Barnett represented the sellers and shares their enthusiasm for SealedBid's skill and professionalism.

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“Jerry is the hardest working intermediary I've ever worked with,” explains Art Dickinson, legal counsel to the sellers. “He continuously worked toward consensus, kept his cool even when things got a little hot and kept all of the parties to the transaction together. But,” he added, “always with a goal of getting the best possible deal for his clients.”

SealedBid is an M&A firm focused on lower mid-market companies with revenues ranging from \$2 million to over \$50 million.

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